









# We relish the prospect of competing against a privately-owned British Airways. But shouldn't there be a change in the rules?

If British Airways is privatised as it stands, where will it stand?

In a position to stifle the growth of Britain's independent airlines.

It will have the best route network of any airline in the world.

It will run over 80% of our nation's scheduled services.

It will operate the bulk of its services from an almost impregnable position at Heathrow, the world's busiest gateway.

And it will have been freed, at the taxpayer's expense, from the vast burden of its borrowings.

What is now a virtual state monopoly will simply become a private one.

And that can be in the interests of no-one.

In common with other British independent scheduled airlines, we believe that something must be done now.

So we at British Caledonian have put a plan to the Government.

In summary it is this.

British Caledonian would take on certain British Airways routes and operate them all from Gatwick.

(We would, we emphasise, pay for the assets.)

Other services, including British Airways regional operations, would be transferred to those independents wishing to take them on.

Where would all this leave British Airways? In a much healthier position.

It will still be Britain's biggest airline by far. But being solely Heathrow based, it will be tighter, leaner and therefore more saleable.

And with 2 major British airlines competing on more equal terms, the British nation itself will win.

The cash burden imposed on the taxpayer by privatisation will be cut by several hundred million pounds.

The congestion travellers face daily at Heathrow will be relieved.

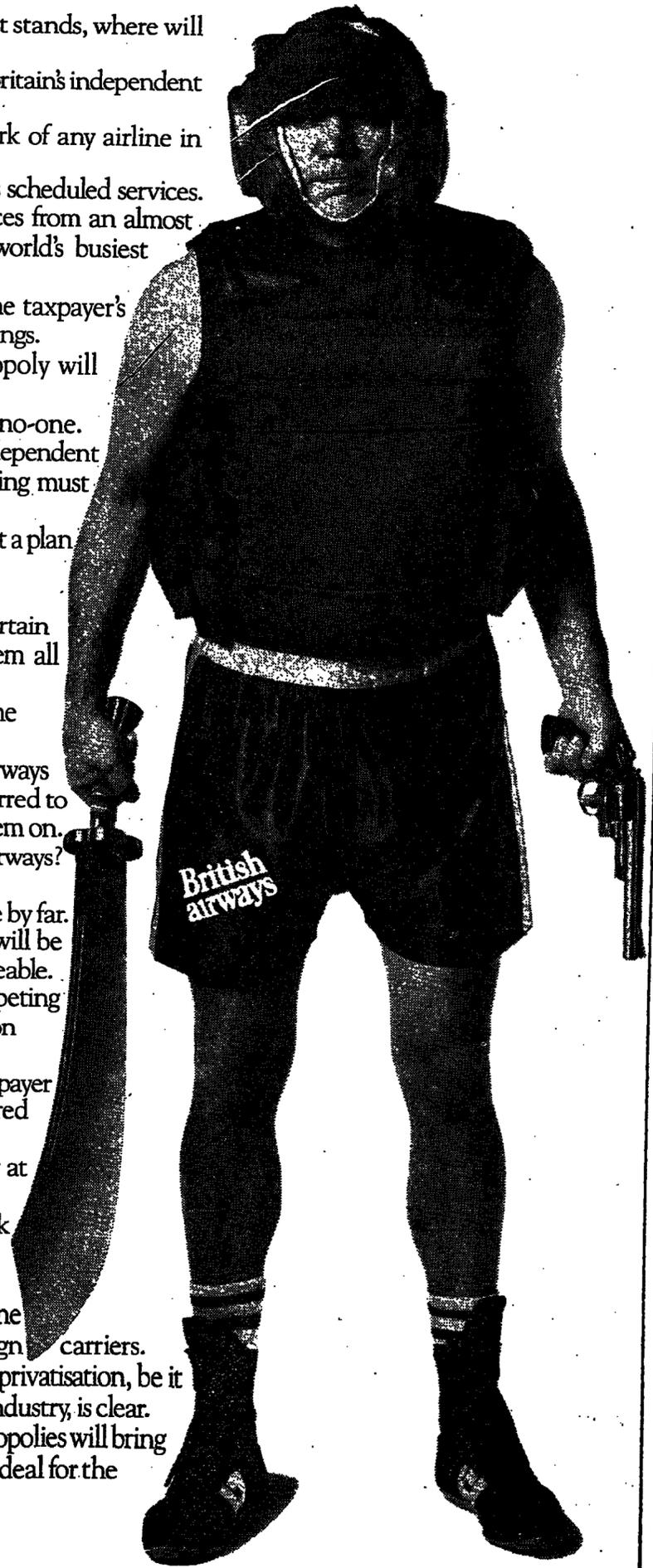
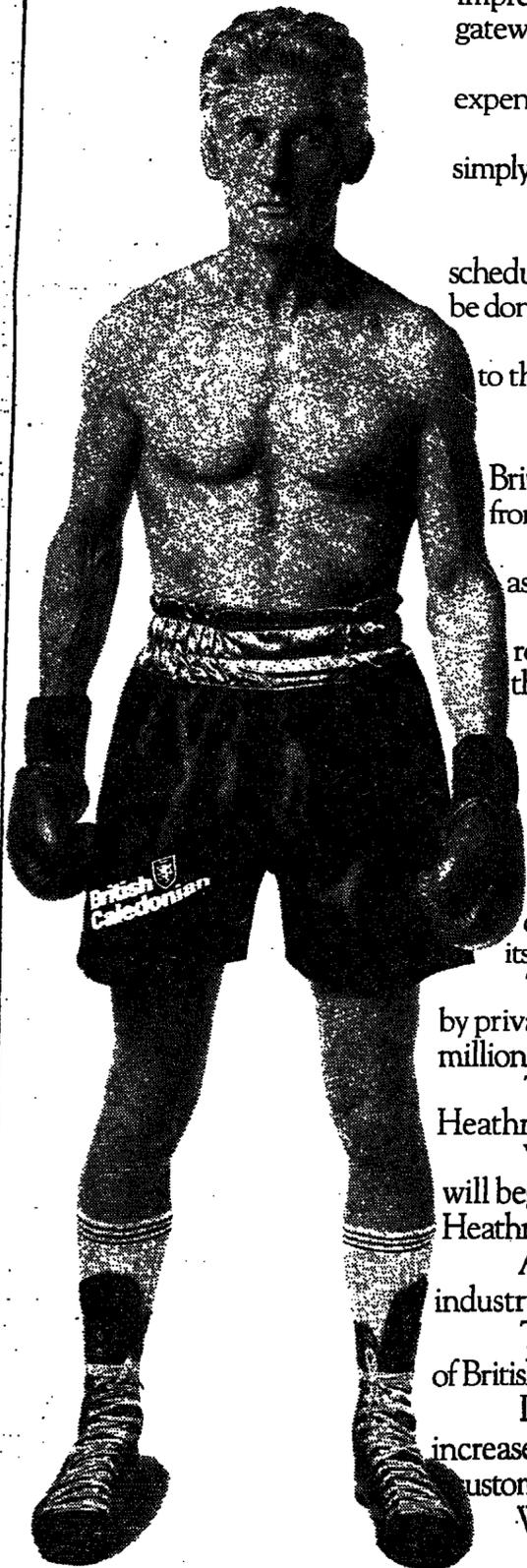
With a fairer share of routes, Gatwick will begin to fulfill its intended role as Heathrow's twin.

And we will at last have a balanced airline industry, structured to take on and beat foreign carriers.

The Government's reasoning behind privatisation, be it of British Airways or any other nationalised industry, is clear.

It believes that breaking up State monopolies will bring increased competition, resulting in a better deal for the customer.

We couldn't agree more.



**British Caledonian**



The second in a series of public announcements.

# Privatising British Telecom: a time to deal in facts, not fears.

The privatising of British Telecom has stirred up political controversy. Leaving the political issue aside, there is now an urgent need to clarify the points below in the interests of truth and the customer.

**Q. Is it a case of public service versus private profit?**

**A.** No. In a competitive world, profit comes only from giving customers what they want, efficiently. The drive for profit, therefore, must be good for the customer. As a Public Limited Company, with innovative technical and human resources and freed from Government control, British Telecom must be encouraged to become a major force in tomorrow's world of telecommunications. Anything less will be bad for British industry and the nation.

**Q. Can foreign shareholders take control of British Telecom?**

**A.** No. There will be a strict ceiling on the shareholding of any individual or group of individual shareholders, even within this country. And the Government will hold the largest number of shares. Even a UK takeover, let alone a foreign takeover, will be impossible. Many good opportunities for business growth lie in overseas markets. If shares are quoted on foreign stock exchanges it will aid our prospects of competing in those countries.

**Q. Is it true that residential phone charges will shoot up, that rural, emergency services and many kiosks will be cut back? And that services for the disabled will be abandoned?**

**A.** No. British Telecom is fully committed to maintain these services. In any case, the Licence under which British Telecom will operate is a legal safeguard of all services for which there is reasonable public demand. With regard to residential charges, the Licence specifically relates increases to the Retail Price Index.

This is the first time in British history that the provision of many telecommunications services will be required by law – a far stronger safeguard than has previously existed.

British Telecom is already one of the most technologically advanced telecommunications systems in the world. It has every intention of going on getting better and adapting to compete in the world market-place.

We shall always have the interests of you, our customer, at the forefront of our thinking.



















FINANCE AND INDUSTRY  
Executive Editor Kenneth Fleet

Is Eagle Star's fate just a matter of price?

The West German insurance group Allianz Versicherungs did not unveil a new bid for Eagle Star Holdings yesterday. After chalking up Eagle Star shares 12p to a peak of 614p the market was looking for an advance on Allianz's original 500p per share offer that would at least match the 575p per share offered by BAT Industries and welcomed by Eagle Star.



Maurice Saatchi: publicity campaign ready to go

The themes of this campaign are interesting in themselves. The first argument is that Allianz is, or certainly was, trying to buy Eagle Star on the cheap. The original price of 500p is obviously no longer a live issue, but unless Allianz makes a serious bid for the whole of the Eagle Star equity it does not already own, the argument would still have validity.

Lloyd's may link its members' minimum wealth to inflation

By Andrew Cornallins

Lloyd's of London is considering index-linking the amount of wealth that members must prove they possess before they are allowed to join the insurance market.



Ian Davison: "Maximum funds will be increased"

Lloyd's first demanded that members should prove their wealth in 1983, when each member had to be worth at least £2,000.

Profit taking reversed the dollar's rise yesterday after worries over heightened tensions in the Middle East and expectations of continuing firm American interest rates had pushed it up to its highest levels for some weeks.

STOCK EXCHANGES  
FT Index 720.1 down 1.3  
FT All Share 447.43 up 0.14

CURRENCIES  
LONDON CLOSE  
Sterling \$1.4845 up 5pts  
Index 128.2 down 0.1

INTEREST RATES  
Domestic rates  
Bank base rates 9  
Finance houses base rate 10

First things first at Guinness Peat

The fate of Guinness Peat hangs in the balance. Mr Alastir Morton arrived almost two years ago at the behest of an unhappy chairman, Mr Edmund Dell, the former Labour Cabinet Minister.

M3 setback on interest rate hopes

By Frances Williams  
Economics Correspondent

Industry's hopes for an early cut in interest rates were dashed yesterday by the announcement that the Government's main measure of money growth, sterling M3, rose sharply last month, almost reaching the top of its permitted target range.

Yarrow 'would study buying shipyards'

By Philip Robinson

Yarrow, the former builders of naval ships, said yesterday it would seriously consider any Government proposal to buy back its yards, nationalized in 1977.

Freeze on Fraser shares

By Our Financial Staff

The House of Fraser retail group has taken further court action to freeze the transfer, dividends and votes on shares whose beneficial owner is in doubt.

GrandMet buys tour operator

Travelscene, the largest privately-owned British-based tour operator in package holidays, has been taken over by Grand Metropolitan at an undisclosed price.

New City group to help start small businesses

By Vivien Goldsmith

Sir Anthony Jolliffe, Lord Mayor of London, yesterday launched a new organization to harness the City's expertise and goodwill to create small businesses and tackle youth unemployment.

Dow drifts in early trading

New York - (AP-Dow Jones)

Shares showed little movement on the New York Stock Exchange yesterday after drifting throughout the morning.

Worcester bid future uncertain

By Jonathan Clare

The future of Royal Worcester's highly-regarded fine china businesses was in the melting pot last night in the aftermath of Monday's increased offer from Crystalate of £23.4m.

Britain wins £100m order against 32 competitors

Sunderland Shipbuilders yesterday received a £100m order for two vessels from Sweden. The order marks a revival for the company but it will only add to serious overcapacity in the North Sea offshore oil support business.

Mixed blessing in Swedish ship deal

Up to a quarter of the 80 British flag vessels in the 500 to 1,500-tonne range - which ferry everything from equipment to food supplies to rigs - are said to be without contracts at any one time.

THE DE LA RUE COMPANY p.l.c. CHAIRMAN'S STATEMENT  
Dividend  
Trading results  
Outlook  
INTERIM STATEMENT for the half year ended 30 September 1983











THE TIMES MICROFILM EDITION
1983 subscription delivered monthly on 35mm microfilm.
UK price £315 + VAT.
Details and sample copy from: RESEARCH PUBLICATIONS LTD.

MARKET REPORT by Derek Pain
Bid talk lifts Istock

THE TIMES INDEX
Published monthly with annual cumulation, the Index includes references to articles in The Times, Sunday Times, and Times Supplements.
1983 subscription £240 (UK).
Details and sample copy from: RESEARCH PUBLICATIONS LTD.

Shares of Istock Johnson the brick group which earlier this year escaped the take over embrace of London Brick, jumped 8p to 167p yesterday on talk that the company was planning a bid on its own account.
The stock markets favourite target was Steeley, the construction supplies group. Its shares rose 7p to 212p.

But Steeley seemed unaware of a pending bid and Mr Paul Hyde-Thomson, Istock's chairman, said the market speculation was "the first I have heard of any bid".
The Istock share advance was probably more due to Mr Hyde-Thomson's presence yesterday at his company's stockbroker, Laing and Crutchfield, where he met fund managers.

tempted to return with another offer next year.
Any bid for Steeley would almost certainly fall into the lap of the Monopolies Commission which is already examining a £115m offer for the company from Hepworth Ceramic. The

expected to report within the next two weeks on the planned casino merger - between Pleasurama and Trident.
With the Aspinall Holdings share sale raking in the cash, suggestions are growing that Grand Metropolitan wants to sell its 29 per cent Pleasurama shareholding, whatever the Commission decides. Such thoughts tripped Pleasurama to 338p and Trident lost 2p to 114½p in sympathy.

After six days of progress shares turned mixed although some oils were stronger on the Middle East tension. Among the leaders the P and O shipping group responded to further share buying by Sterling Guarantee with a 6p gain to 247p.
Robert Holmes & Court continues his share build up at the 123p issue price and then slipped to 116p before settling at 121p.
Financials were spurred by the citicorp deal with stock-

brokers Vickers da Costa. The quoted stock jobber, Arkroyd and Smithers and Smith Bros, gained coppers, but bankers Guinness Peat, embroiled in the Moorside Trust, were unchanged at 52p, despite optimistic noises at a stockbroker lunch.
Price of Wales Hotels, where Taddale Investment has a 14 per cent stake, gained 7p to 137p on talk that the shareholding may change hands.
Kode International, the once high flying high tech stock, where profits will fall below last year's £1.4m because of "unexpected technical difficulties", tumbled 50p to 225p.

Table with columns: High, Low, Company, Price, Change, % Change, Yield, P/E. Includes sections for BRITISH FUNDS and COMMONWEALTH AND FOREIGN.

Table with columns: High, Low, Company, Price, Change, % Change, Yield, P/E. Includes sections for DOLLAR STOCKS and BANKS AND DISCOUNTS.

Table with columns: High, Low, Company, Price, Change, % Change, Yield, P/E. Includes sections for LOCAL AUTHORITIES and BREWERIES AND DISTILLERIES.

Table with columns: High, Low, Company, Price, Change, % Change, Yield, P/E. Includes sections for COMMONWEALTH AND FOREIGN (continued) and DOLLAR STOCKS.

Table with columns: High, Low, Company, Price, Change, % Change, Yield, P/E. Includes sections for BANKS AND DISCOUNTS (continued) and BREWERIES AND DISTILLERIES.

Table with columns: High, Low, Company, Price, Change, % Change, Yield, P/E. Includes sections for COMMONWEALTH AND FOREIGN (continued) and DOLLAR STOCKS.

Table with columns: High, Low, Company, Price, Change, % Change, Yield, P/E. Includes sections for LOCAL AUTHORITIES and BREWERIES AND DISTILLERIES.

Table with columns: High, Low, Company, Price, Change, % Change, Yield, P/E. Includes sections for COMMONWEALTH AND FOREIGN (continued) and DOLLAR STOCKS.

Table with columns: High, Low, Company, Price, Change, % Change, Yield, P/E. Includes sections for BANKS AND DISCOUNTS (continued) and BREWERIES AND DISTILLERIES.

Table with columns: High, Low, Company, Price, Change, % Change, Yield, P/E. Includes sections for COMMONWEALTH AND FOREIGN (continued) and DOLLAR STOCKS.

Table with columns: High, Low, Company, Price, Change, % Change, Yield, P/E. Includes sections for LOCAL AUTHORITIES and BREWERIES AND DISTILLERIES.

Table with columns: High, Low, Company, Price, Change, % Change, Yield, P/E. Includes sections for COMMONWEALTH AND FOREIGN (continued) and DOLLAR STOCKS.

Table with columns: High, Low, Company, Price, Change, % Change, Yield, P/E. Includes sections for BANKS AND DISCOUNTS (continued) and BREWERIES AND DISTILLERIES.

Table with columns: High, Low, Company, Price, Change, % Change, Yield, P/E. Includes sections for COMMONWEALTH AND FOREIGN (continued) and DOLLAR STOCKS.

Table with columns: High, Low, Company, Price, Change, % Change, Yield, P/E. Includes sections for LOCAL AUTHORITIES and BREWERIES AND DISTILLERIES.

Table with columns: High, Low, Company, Price, Change, % Change, Yield, P/E. Includes sections for COMMONWEALTH AND FOREIGN (continued) and DOLLAR STOCKS.

Table with columns: High, Low, Company, Price, Change, % Change, Yield, P/E. Includes sections for BANKS AND DISCOUNTS (continued) and BREWERIES AND DISTILLERIES.

Table with columns: High, Low, Company, Price, Change, % Change, Yield, P/E. Includes sections for COMMONWEALTH AND FOREIGN (continued) and DOLLAR STOCKS.

Table with columns: High, Low, Company, Price, Change, % Change, Yield, P/E. Includes sections for LOCAL AUTHORITIES and BREWERIES AND DISTILLERIES.

Table with columns: High, Low, Company, Price, Change, % Change, Yield, P/E. Includes sections for COMMONWEALTH AND FOREIGN (continued) and DOLLAR STOCKS.

Table with columns: High, Low, Company, Price, Change, % Change, Yield, P/E. Includes sections for BANKS AND DISCOUNTS (continued) and BREWERIES AND DISTILLERIES.

Table with columns: High, Low, Company, Price, Change, % Change, Yield, P/E. Includes sections for COMMONWEALTH AND FOREIGN (continued) and DOLLAR STOCKS.

Table with columns: High, Low, Company, Price, Change, % Change, Yield, P/E. Includes sections for LOCAL AUTHORITIES and BREWERIES AND DISTILLERIES.

Table with columns: High, Low, Company, Price, Change, % Change, Yield, P/E. Includes sections for COMMONWEALTH AND FOREIGN (continued) and DOLLAR STOCKS.

Table with columns: High, Low, Company, Price, Change, % Change, Yield, P/E. Includes sections for BANKS AND DISCOUNTS (continued) and BREWERIES AND DISTILLERIES.

Table with columns: High, Low, Company, Price, Change, % Change, Yield, P/E. Includes sections for COMMONWEALTH AND FOREIGN (continued) and DOLLAR STOCKS.

Table with columns: High, Low, Company, Price, Change, % Change, Yield, P/E. Includes sections for LOCAL AUTHORITIES and BREWERIES AND DISTILLERIES.

Table with columns: High, Low, Company, Price, Change, % Change, Yield, P/E. Includes sections for COMMONWEALTH AND FOREIGN (continued) and DOLLAR STOCKS.

















